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AMENDED IN SENATE APRIL 25, 2001
AMENDED IN SENATE MARCH 29, 2001

CALIFORNIA LEGISLATURE—2001–02 FIRST EXTRAORDINARY SESSION

SENATE BILL

No. 2

**Introduced by Senators Alarcon, Chesbro, Escutia, Sher, Soto,
and Vincent**
(Coauthors: Assembly Members Diaz, Firebaugh, Koretz, and
Oropeza)

January 17, 2001

An act to amend Sections 382, ~~739.1~~, and 2790 of, ~~and~~ to add Sections 382.1 and 386 to, *and to amend and repeal Section 739.1 of*, the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 2, as amended, Alarcon. Public utilities.

(1) Existing law requires the Public Utilities Commission to establish a program of assistance to low-income electric and gas customers, which is referred to as the California Alternate Rates for Energy or CARE program.

This bill would *require the commission to establish the Low-Income Oversight Board for the purpose of ~~monitoring and evaluating the implementation of low-income programs for electricity and gas~~ customers advising the commission on low-income electric and gas customer issues and serving as a liaison for the commission to low-income ratepayers and representatives*. The bill would require, beginning in 2002, the *commission, with the assistance of the*

Low-Income Oversight Board, to conduct an assessment of ~~need to enhance program delivery and ensure that funding adequately reflects certain needs, on a periodic basis~~ *the needs of low-income electricity and gas ratepayers. The bill would require the assessment to include an evaluation of the implementation of low-income programs and the effectiveness of weatherization services and energy efficiency measures in low-income households.*

The bill would require the commission to ensure that the CARE discount correctly reflects the level of need of customers.

The bill would require the commission to work with public utility electrical and gas corporations to establish penetration goals. The bill would require the commission to adjust the current CARE balancing account of the utilities to ensure for maximum efficiency and greater program outreach.

The bill would require the commission to ~~collect data from Universal Lifeline Telephone Service (ULTS) providers on ULTS customers and enroll eligible customers into the CARE program. The bill would require the commission to work with ULTS providers to inform ULTS customers about low-income energy programs~~ *examine methods to enhance CARE enrollment, including comparing information from CARE and the Universal Lifeline Telephone Service (ULTS) to determine the most effective means of utilizing that information to increase CARE enrollment, automatic enrollment of ULTS customers who are eligible for the CARE program, customer privacy issues, and alternative mechanisms for outreach to potential enrollees.* The bill would require the commission to enhance the CARE application process, and to the extent possible, streamline ULTS and CARE applications and the enrollment process. ~~The bill would require that, until January 1, 2005, electricity and gas rates for CARE program participants be equivalent to those in effect as of January 1, 2000. The bill would provide that the above provisions would remain in effect only until January 1, 2006.~~

The bill would require weatherization programs to use the needs assessment conducted by the Low-Income Oversight Board to maximize efficiency of delivery.

(2) Existing law requires each local publicly owned electric utility that has not implemented programs for low-income electricity customers or completed an assessment of need for those programs on or before December 24 31, 2000, to perform a needs assessment, as



prescribed, and determine the amount of total funds collected to be allocated to low-income programs.

This bill would require a local publicly owned electric utility to increase the level of discounts or raise the eligibility level of existing low-income programs to be reflective of customer need, to streamline enrollment, and to establish penetration goals. ~~The bill would prohibit an increase in any customer surcharge as a result of this program.~~

(3) A violation of the Public Utilities Act is a crime. This bill would change the definition of that crime by adding new requirements for electric utilities, thereby imposing a state-mandated local program.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 382 of the Public Utilities Code is
2 amended to read:

3 382. (a) Programs provided to low-income electricity
4 customers, including, but not limited to, targeted
5 energy-efficiency services and the California ~~Alternative~~
6 *Alternate* Rates for Energy program shall be funded at not less than
7 1996 authorized levels based on an assessment of customer need.

8 (b) In order to meet legitimate needs of electric and gas
9 customers who are unable to pay their electric and gas bills and
10 who satisfy eligibility criteria for assistance, recognizing that
11 electricity is a basic necessity, and that all residents of the state
12 should be able to afford essential electricity and gas supplies, the
13 commission shall ensure that ~~seniors and low-income families~~
14 *low-income ratepayers* are not jeopardized or overburdened by
15 monthly energy expenditures. Energy expenditure may be reduced
16 through the establishment of different rates for ~~senior and~~
17 ~~low-income customers~~ *low-income ratepayers*, different levels of
18 rate assistance, and energy efficiency programs.

(c) Nothing in this section shall be construed to prohibit electric and gas providers from offering any special rate or program for low-income ~~customers, seniors, or fixed income customers~~ ratepayers that is not specifically required in this section.

(d) The commission shall allocate funds necessary to meet the low-income objectives in this section.

(e) Beginning in 2002, an assessment of ~~need~~ *the needs of low-income electricity and gas ratepayers* shall be conducted periodically by the ~~Low Income Oversight Board pursuant to Section 382.1 to enhance program delivery and ensure that funding adequately reflects low income electricity and gas customers' energy expenditures, hardship, language needs, and economic burdens.~~ *commission with the assistance of the Low-Income Oversight Board. The assessment shall evaluate low-income program implementation and the effectiveness of weatherization services and energy efficiency measures in low-income households. The assessment shall consider whether existing programs adequately address low-income electricity and gas customers' energy expenditures, hardship, language needs, and economic burdens.*

SEC. 2. Section 382.1 is added to the Public Utilities Code, to read:

~~382.1. (a) A Low Income Oversight Board shall be established that shall report directly to the Legislature and work with the commission for the purposes of monitoring and evaluating the implementation of all programs provided to low-income electricity and gas customers. The Low-Income Oversight Board shall do, but is not limited to doing, all of the following:~~

~~(1) Oversee the development of an assessment of customer need pursuant to Section 382.~~

~~(2) Ensure that a comprehensive needs assessment is conducted periodically to evaluate program implementation and the effectiveness of specific weatherization services and energy efficiency measures.~~

382.1. (a) The commission shall establish a Low-Income Oversight Board that shall advise the commission on low-income electric and gas customer issues and shall serve as a liaison for the commission to low-income ratepayers and representatives. The Low-Income Oversight Board shall replace the Low-Income

1 *Advisory Board in existence on January 1, 2000. The Low-Income*
2 *Oversight Board shall do all of the following:*

3 (1) *Monitor and evaluate implementation of all programs*
4 *provided to low-income electricity and gas customers.*

5 (2) *Assist in the development and analysis of any assessments*
6 *of low-income electricity and gas customer need.*

7 (3) ~~Ensure~~ *Encourage* collaboration between state and utility
8 programs for low-income electricity and gas customers to
9 maximize the leverage of state and federal energy efficiency funds
10 to both lower the bills and increase the comfort of low-income
11 customers.

12 (4) ~~Produce reports to the Legislature~~ *Provide reports to the*
13 *Legislature, as requested,* summarizing the assessment of need,
14 audits, and analysis of program implementation.

15 ~~(5) Work with the commission to reduce duplication of efforts.~~

16 ~~(6) Work to streamline~~

17 (5) *Assist in streamlining* the application and enrollment
18 process of programs for low-income electricity and gas customers
19 with general low-income programs, including, but not limited to,
20 the Universal Lifeline Telephone Service (ULTS) program.

21 ~~(7) Promote~~

22 (6) *Encourage* the usage of the network of community service
23 providers in accordance with Section 381.5.

24 (b) The Low-Income Oversight Board shall be comprised of ~~13~~
25 *nine* members to be selected by the commission from each of the
26 following groups:

27 (1) Four members who have expertise in the low-income
28 community and who are not affiliated with any state or utility
29 group. These members shall be selected in a manner to ensure an
30 equitable geographic distribution.

31 (2) One member who is a representative ~~from the Governor's~~
32 *office of the Governor.*

33 ~~(3) One member who is a designated representative of the~~
34 ~~commission and who has expertise in the area of low-income~~
35 ~~programs.~~

36 ~~(4) One member who is a designated representative of the State~~
37 ~~Energy Resources Conservation and Development Commission.~~

38 ~~(5)~~

39 (3) *One member who is a commissioner or commissioner*
40 *designee.*

(4) One member who is a representative of the Department of Community Services and Development Department.

~~(6)~~

(5) One member who is a provider for the Low-Income Home Energy Assistance Program (LIHEAP).

~~(7) Four members who are representatives from each of the electrical corporations and who have expertise in the area of programs for low-income electricity and gas customers.~~

~~(6) One member who is a representative of an electrical or gas corporation.~~

(c) The Low-Income Oversight Board shall ~~act independently of the commission and shall~~ alternate meeting locations between northern, *central*, and southern California.

~~(d) The Low-Income Oversight Board shall not have ratemaking authority, but shall advise the commission on low-income issues.~~

~~(e) The Low-Income Energy~~

(d) The Low-Income Oversight Board may establish a technical advisory committee consisting of low-income service providers, utility representatives, consumer organizations, and commission staff, to assist the board and may request utility representatives and commission staff to assist the technical advisory committee.

~~(f)~~

(e) The commission shall do all of the following in conjunction with the board:

(1) Work with the board and community-based organizations to increase participation in programs for low-income customers.

(2) Provide technical support to the board.

(3) Ensure that the energy burden of low-income electricity and gas customers is reduced.

(4) Provide formal notice of board meetings in the commissions' daily calendar.

~~(g)~~

(f) (1) Members of the board and members of the technical advisory committee shall be eligible for compensation in accordance with state guidelines for necessary travel.

(2) Members of the board and members of the technical advisory committee who are not salaried state service employees shall be eligible for reasonable compensation for attendance at board meetings.

(3) All reasonable costs incurred by the board, including, staffing, travel, and administrative costs, shall be part of the budget of the commission and the commission shall consult with the board in the preparation of that portion of the commission's annual proposed budget.

~~(4) If the Low-Income Oversight Board is duplicative of the commission's Low-Income Advisory Board, the commission's Low-Income Advisory Board shall be dissolved and its budget shall be applied to the Low-Income Oversight Board's budget.~~

SEC. 3. Section 386 is added to the Public Utilities Code, to read:

386. (a) Each local publicly owned electric utility shall ensure the following:

(1) Low-income families within the utility's service territory have access to affordable electricity.

(2) The current level of assistance reflects the rising level of need.

(3) Low-income families are afforded energy efficiency measures that reduce energy consumption at no cost.

(b) The local publicly owned electric utility shall increase the level of the discount or raise the eligibility level for any existing rate assistance program to be reflective of customer need.

(c) A publicly owned electric utility shall streamline enrollment for low-income programs by collaborating with existing providers for the Low-Income Home Energy Assistance Program (LIHEAP), Universal Lifeline Telephone Service (ULTS) program providers, and other electric or gas providers within the same service territory.

(d) A local publicly owned electric utility shall establish penetration goals for its rate assistance program participation.

~~(e) No provision of this section shall result in an increase in any surcharge for customers of a publicly owned electric utility.~~

SEC. 4. Section 739.1 of the Public Utilities Code is amended to read:

739.1. (a) The commission shall establish a program of assistance to low-income electric and gas customers, the cost of which shall not be borne solely by any single class of customer. The program shall be referred to as the California Alternate Rates for Energy or CARE ~~programs~~ *program*. The commission shall

1 ensure that the level of discount for low-income electric and gas
2 customers correctly reflects the level of need.

3 (b) The commission shall work with the public utility electrical
4 and gas corporations to establish penetration goals. The
5 commission shall adjust the current CARE balancing account
6 ~~corporation~~ to ensure for maximum efficiency and greater
7 program outreach.

8 ~~(c) The commission shall collect data from Universal Lifeline~~
9 ~~Telephone Service (ULTS) providers on ULTS customers and~~
10 ~~enroll eligible customers into the CARE program. The~~
11 ~~commission shall work with ULTS providers to inform ULTS~~
12 ~~customers about low income energy programs.~~

13 (c) *The commission shall examine methods to enhance CARE*
14 *enrollment and participation. This examination shall include, but*
15 *need not be limited to, comparing information from CARE and the*
16 *Universal Lifeline Telephone Service (ULTS) to determine the*
17 *most effective means of utilizing that information to increase*
18 *CARE enrollment, automatic enrollment of ULTS customers who*
19 *are eligible for the CARE program, customer privacy issues, and*
20 *alternative mechanisms for outreach to potential enrollees. The*
21 *commission shall ensure that a customer consents prior to*
22 *enrollment. The commission shall consult with interested parties,*
23 *including ULTS providers, to develop the best methods of*
24 *informing ULTS customers about other available low-income*
25 *programs.* The reasonable costs incurred by ULTS providers for
26 CARE outreach shall be recovered from commission allocated
27 CARE funds.

28 (d) The commission shall enhance the CARE application
29 process, and to the extent possible, streamline ULTS and CARE
30 applications and the enrollment process. The commission shall
31 work with public utility electric and gas corporations, ULTS
32 providers, and the Low-Income Oversight Board established in
33 Section 382.1 to meet the low-income objectives in this section.

34 (e) The commission's program of assistance to low-income
35 electric and gas customers shall, as soon as practicable, include
36 nonprofit group living facilities specified by the commission, if
37 the commission finds that the residents in these facilities
38 substantially meet the commission's low-income eligibility
39 requirements and there is a feasible process for certifying that the
40 assistance shall be used for the direct benefit, such as improved

quality of care or improved food service, of the low-income residents in the facilities. The commission shall authorize utilities to offer discounts to eligible facilities licensed or permitted by appropriate state or local agencies, and to facilities, including women's shelters, hospices, and homeless shelters, that may not have a license or permit but provide other proof satisfactory to the utility that they are eligible to participate in the program.

~~(e) Notwithstanding any other provision of law, until January 1, 2005, electricity and gas rates for CARE program participants shall be equivalent to those in effect as of January 1, 2000.~~

(f) It is the intent of the Legislature that the commission ensure CARE program participants are afforded the lowest possible electric and gas rates and, to the extent possible, are exempt from additional surcharges attributable to the current energy crisis.

(g) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2006, deletes or extends that date.

SEC. 5. Section 2790 of the Public Utilities Code is amended to read:

2790. (a) The commission shall require an electrical or gas corporation to perform home weatherization services for low-income customers, as determined by the commission under Section 739, if the commission determines that a significant need for those services exists in the corporation's service territory, taking into consideration both the cost-effectiveness of the services and the policy of reducing the hardships facing low-income households.

(b) (1) For purposes of this section, "weatherization" may include, where feasible, any of the following measures for any dwelling unit:

(A) Attic insulation.

(B) Caulking.

(C) Weatherstripping.

(D) Low flow showerhead.

(E) Waterheater blanket.

(F) Door and building envelope repairs that reduce air infiltration.

(2) The commission shall direct any electrical or gas corporation to provide as many of these measures as are feasible for each eligible low-income dwelling unit.

1 (c) “Weatherization” may also include other building
2 conservation measures, energy-efficient appliances, and energy
3 education programs determined by the commission to be feasible,
4 taking into consideration for all measures both the
5 cost-effectiveness of the measures as a whole and the policy of
6 reducing energy-related hardships facing low-income households.

7 (d) Weatherization programs shall use the needs assessment
8 pursuant to Section 382.1 to maximize efficiency of delivery.

9 SEC. 6. No reimbursement is required by this act pursuant to
10 Section 6 of Article XIII B of the California Constitution because
11 the only costs that may be incurred by a local agency or school
12 district will be incurred because this act creates a new crime or
13 infraction, eliminates a crime or infraction, or changes the penalty
14 for a crime or infraction, within the meaning of Section 17556 of
15 the Government Code, or changes the definition of a crime within
16 the meaning of Section 6 of Article XIII B of the California
17 Constitution.

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